2 F

Foreign CROPS AND MARKETS

OFAR

VOLUME 60 NUMBER 12

TOBACCO (Page 233)

EGGS & CHICKENS (Page 236)

CONTENTS

FOR RELEASE

MONDAY

MARCH 20, 1950

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS
WASHINGTON 25, D.C.

L A T E   N E W S

Reports indicate Finnish farmers delivered to their creameries (402 milk stations) 2,012 million pounds of milk in 1949 compared with 1,406 million pounds in 1948, an increase of 606 million pounds or 43 percent.

- - - - - -

The 1949-50 cotton crop in Burma is now estimated officially at 21,000 bales (500 pounds gross) from 140,050 acres harvested. This crop is 9,000 bales below an earlier estimate, 14,000 less than the 1948-49 crop, and only 22 percent of the prewar average of 97,000 bales. Insufficient rain and unsettled political conditions were reported to be the principal causes of the small crop. Most of the crop is available for export. A major part of the surplus from the 1948-49 crop was transported overland to areas controlled by Chinese Nationalists by way of the Burma Road.

FOREIGN CROPS AND MARKETS

Published weekly to inform producers, processors, distributors and consumers of farm products of current developments abroad in the crop and livestock industries, foreign trends in prices and consumption of farm products, and world agricultural trade. Circulation of this periodical is free to those needing the information it contains in farming, business and professional operations. Issued by the Office of Foreign Agricultural Relations of the U.S. Department of Agriculture, Washington 25, D.C.

WORLD FLUE-CURED TOBACCO PRODUCTION DECLINES

The world's harvest of flue-cured tobacco during the 12 months, July 1949 through June 1950, is now estimated at 1,724 million pounds, which is 5 percent below the 1948-49 harvest of 1,808 million pounds and about 8 percent below the record 1947-48 harvest of approximately 1,877 million pounds. The estimated 1949-50 harvest, however, is still 39 percent above the prewar (1935-36 through 1939-40) annual average of 1,238 million pounds. The sharp decline in China and moderate declines in Brazil and Italy in 1949-50 have more than offset the moderate increases in the United States and in most other flue-cured tobacco-growing countries.

Increased world demand for flue-cured leaf has encouraged larger plantings in most producing countries. Since the war there has been a continuing change in consumer demand from dark and cigar tobaccos to flue-cured and certain other light types used principally in cigarettes. The world effective demand for flue-cured tobacco and especially United States flue-cured would be considerably greater if it were not for restrictions on trade by the principal tobacco importing countries.

United States. The 1949 flue-cured crop was 2 percent above the 1948 outturn, according to the latest official estimate. A production of 1,112 million pounds was obtained from 936,400 acres. The 1949 yield of 1,188 pounds per acre was the second highest on record and less than 4 percent below the record 1948 yield of 1,233 pounds per acre. The high 1948 and 1949 yields are attributed to heavy applications of fertilizer, close planting and generally favorable growing conditions. The 1949 production was 29 percent above the prewar, 1935-39, average. The crop was 65 percent of the world total flue-cured production, compared with the prewar average of 70 percent.

Flue-cured acreage allotments in 1949 were increased by approximately 5 percent, because of a somewhat improved outlook for exports and continued high domestic demand. Acreage allotments had been reduced in 1948 by about 27 percent, because of the unfavorable outlook for exports, particularly to the United Kingdom which is the largest importer of United States flue-cured leaf. United Kingdom purchases of 1949 flue-cured leaf totaled approximately 165 million pounds, compared with only 60 million in 1948 and prewar purchases of around 200 million pounds.

Canada. Flue-cured production in Canada in 1949 totaled about 118.6 million pounds, compared with 102.4 million in 1948. The increase over 1948 resulted from a small increase in acreage and to higher yields per acre despite unfavorable weather during the early part of the growing season. During the 5 years, 1935-39, production of flue-cured leaf in Canada averaged 54.6 million pounds annually. The expansion in production since prewar has resulted primarily from the rapidly increasing domestic demand for this type of leaf.

Southern Rhodesia. The 1949-50 flue-cured crop is officially forecast at 90.0 million pounds from 140,250 acres, compared with 81.5 million pounds from 128,500 acres in 1948-49 and the prewar annual average of 24.6 million pounds from 48,010 acres. Flue-cured acreage and production have increased rapidly in recent years as a result of

FLUE-CURED TOBACCO: World acreage and production, 1949 with comparisons 1/

Country	Acreage: Average 1935-39	Acreage: 1947	Acreage: 1948	Acreage: 1949 2/	Production: Average 1935-39	Production: 1947	Production: 1948	Production: 1949 2/
	Acres	Acres	Acres	Acres	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Canada	50,703	103,694	90,874	93,080	54,616	86,863	102,442	118,580
Mexico	3/	3/	3/	3/	4/ 800	2,900	2,458	2,866
United States	981,400	1,161,200	883,800	936,400	863,620	1,317,466	1,089,584	1,112,168
Italy	3/	6,200	7,900	7,400	2,846	12,000	15,500	13,200
China	132,800	214,000	380,000	3/	150,900	143,000	270,000	3/
Manchuria	10,540	3/	3/	3/	13,930	15,000	3/	3/
India	4/ 67,000	132,930	140,000	3/	31,280	71,000	75,000	3/
Taiwan (Formosa)	1,988	3/	9,714	16,595	3,235	6,800	7,418	18,982
Korea	7,674	3/	3/	13,363	11,839	12,800	13,250	24,600
Thailand (Siam)	3/	28,200	28,866	33,620	3/	7,250	8,500	9,900
Argentina	4/ 955	3/	7,400	9,900	4/ 918	6,929	6,500	7,700
Brazil	3/	34,347	38,100	36,000	3/	41,050	38,500	29,800
Nyasaland	3/	3/	3/	3/	2,754	2,650	2,903	3,000
Northern Rhodesia	3/	10,000	12,140	12,400	3/	4,300	5,665	7,000
Southern Rhodesia	48,010	112,605	128,500	140,250	24,623	75,385	81,500	90,000
Union of South Africa	3/	3/	3/	3/	4,996	22,045	20,325	22,500
Australia	9,913	3,792	3,695	4,500	5,276	2,417	3,566	3,900
New Zealand	1,740	4,300	4,400	4,600	1,370	4,700	5,000	5,250
Estimated production in all other countries 5/	78,000	140,000	125,000	450,000	65,032	42,000	60,000	255,000
Estimated World Total	1,390,723	1,951,268	1,860,389	1,758,108	1,237,855	1,876,555	1,808,111	1,724,446

1/ Year beginning July 1. For north temperate zone countries, harvests July through October of the year shown; for all other countries, harvests January through June of the following year. 2/ Preliminary. 3/ Data not available. 4/ Less than a 5-year average. 5/ Includes approximations for countries not listed and for countries listed where data are not available.

Office of Foreign Agricultural Relations. Official estimates of foreign countries, reports from U. S. Foreign Service Officers, results of office research and other information.

high leaf prices, preferential duty rates in the United Kingdom and other British Empire countries, and a guaranteed market in the United Kingdom for at least 70 percent of total production.

China. Reliable estimates of the 1949 flue-cured crop are unavailable, but fragmentary reports indicate a decline of over 50 percent from the record 1948 production reported at 270 million pounds. The area planted to flue-cured tobacco was sharply reduced in 1949 due to disruptions in the country's economy resulting from the civil war.

Other Far Eastern Countries. Total production of flue-cured tobacco in Manchuria, Taiwan (Formosa), Korea, Japan, Thailand (Siam) and India is estimated at 190 million pounds. Korea's 1949 crop totaled 24.6 million pounds, compared with 13.3 million in 1948 and a prewar average of 11.8 million. Taiwan's 1949 crop is placed at 19.0 million pounds, compared with 7.4 million in 1948 and the 1935-39 average of 3.2 million. The 1949-50 harvest in Thailand is estimated at 9.9 million pounds, or 16 percent above the 1948-49 harvest of 8.5 million pounds. For the other Asiatic countries production in 1949-50 is estimated to about equal the 1948-49 harvest and to be considerably above the prewar average; however, definite information on production in these countries is not available.

Other Countries. The Union of South Africa's flue-cured production is estimated at 22.5 million pounds, or an increase of 11 percent from 1948-49. Italy produced about 13.2 million pounds in 1949, compared with 15.5 million in 1948. The 1949-50 flue-cured production in Brazil is estimated at 29.8 million pounds, or about 23 percent less than in 1948-49. Argentina's 1949-50 flue-cured crop is placed at 7.7 million pounds, compared with 6.5 million in 1948-49. Other countries producing some flue-cured tobacco include Mexico, Nyasaland, Northern Rhodesia, British East Africa, Venezuela, El Salvador, Nicaragua, Spain, Mauritius, Australia and New Zealand.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Office of Foreign Agricultural Relations Committee on Foreign Crops and Livestock Statistics. For this report, the Committee was composed of C.M. Purves, Acting Chairman, J. Barnard Gibbs, Clarence E. Pike, and A. I. Tannous.

WORLD EGG PRODUCTION IN 1949; CURRENT CHICKEN NUMBERS

Egg production during 1949 increased about 4 percent over the previous year in the major producing countries of the world. Continued favorable egg prices throughout most of 1949, and more abundant feed supplies at declining prices in almost every country have encouraged poultrymen to keep more birds and increase the rate-of-lay in their flocks. World egg production, now about one-fifth above prewar, has recovered to the extent that most rationing has been discontinued. Some governments find it necessary to encourage output of quality products and provide assurance of favorable prices to producers who are experiencing keener competition in domestic and export markets. Large feed-importing countries continue to control production and promote small farm flocks to bring about utilization of home-grown grains and farm wastes.

Chicken numbers increased substantially in response to high prices during the 1949 hatch. The continued efforts of poultrymen and their respective governments to improve the quality of laying stock will be even more important in the immediate future as margins between costs and sales prices are narrowing. The presence of Newcastle disease has become more widely recognized and immediate attention is being given to this hazard to poultry flocks in a number of countries.

The largest increases in both chicken numbers and egg production were in European countries, a few of which have fully recovered from war-time deficits. Egg production in France, Sweden, Switzerland and Spain was above prewar and in the United Kingdom, Ireland, Denmark and several other Western European countries approached 1934-38 levels. Countries which have encouraged the keeping of small farm flocks generally have made the greatest gains in chicken numbers, but their yields, though improving, have not made a comparable recovery since these have been the less well managed flocks. The Balkan countries, which have just begun significant recovery, have reported less pronounced restoration and are still concerned with obtaining sufficient egg supplies for their domestic markets. Practically every country exporting eggs prior to the last war is again active and of paramount importance are Denmark, The Netherlands, Hungary, Belgium, Poland and Sweden. None of the European countries, however, has attained prewar export levels.

Canada was the only country reporting a significant decline in chicken numbers and eggs produced during 1949. The smaller hatch of 1948 limited the number of layers during 1949 although high prices during most of the year promoted a record rate-of-lay. However, the United Kingdom's contract was not renewed for 1950 and prices dropped drastically during the last months of 1949. The recent announcement of a price support program by the Canadian Government has steadied the market, but at a level somewhat lower than during the term of the United Kingdom contract. The Canadian egg output is expected to decline further in 1950 and production of poultry meat will probably continue more important.

EGGS: Number produced 1/ in specified countries, average 1934-38, annual 1946-49

Continent and country	Average 1934-38	1946	1947	1948	1949
	Million	Million	Million	Million	Million
NORTH AMERICA					
Canada	2,638	3,883	4,484	4,274	3,626
Panama	-	-	52	-	-
United States	35,498	55,590	55,252	55,158	56,382
Cuba	320	300	288	276	318
Dominican Republic	-	60	60	-	-
EUROPE					
Albania	143	-	-	-	-
Austria	663	270	285	350	400
Belgium	1,693	1,100	1,380	1,440	1,530
Bulgaria	682	-	-	-	-
Czechoslovakia 2/	1,958	776	903	1,110	1,380
Denmark	1,979	883	992	1,392	1,870
Finland	317	93	117	176	266
France	6,200	6,200	6,300	6,100	6,800
Germany (Tri-zone)	3,700	2,150	1,975	2,250	2,800
Greece	550	349	376	384	390
Hungary	1,050	-	650	750	-
Ireland	1,086	801	733	844	1,014
Italy	5,600	3,600	4,300	4,450	4,550
Luxembourg	40	-	30	35	40
Netherlands	1,978	480	1,052	1,159	1,480
Norway	369	155	198	263	330
Poland and Danzig	3,500	2,276	-	-	-
Portugal	250	-	-	-	-
Rumania	1,500 3/	532	-	-	-
Spain	1,700	-	1,992	1,800	1,860
Sweden	900	1,149	1,217	1,335	1,555
Switzerland	423	391	442	520	559
United Kingdom-Farm 4/	5/ 3,871	2,418	2,600	3,000	3,500
Total	5/ 5,098	3,850	4,000	4,300	5,000
Yugoslavia	1,000	-	-	-	-
ASIA					
Lebanon	-	65	60	48	42
Palestine	108	200	-	-	-
Syria	92	120	90	110	120
Turkey	1,003	863	895	-	-
Japan	3,553	936	-	-	-
India	-	2,794	-	-	1,085
Pakistan	-	571	-	-	-
Philippine Islands	-	-	-	250	-
SOUTH AMERICA					
Argentina	1,127	-	-	-	-
Brazil	-	-	-	2,160	-
Chile	-	520	460	370	-
Paraguay	-	-	100	-	-
Uruguay	289	358	326	330	300
AFRICA					
Egypt	751	-	-	-	-
French Morocco	1,000	-	-	-	-
Union of South Africa	-	-	372	-	1,200
OCEANIA					
Australia 6/	708	1,358	1,470	1,431	1,443
New Zealand	430	-	-	-	450

1/ Relates to farm production in Canada and the United States, but data for many countries not explicit on this point. 2/ Postwar numbers possibly under reported. 3/ 58 counties. 4/ Year ending May of year indicated. 5/ 3-year average. 6/ Commercial production for year beginning in July of year reported.

Office of Foreign Agricultural Relations.

CHICKEN: Numbers in specified countries, average 1934-38, annual 1946-1950

Continent and country	Date applicable	Average 1935-38	1946	1947	1948	1949	1950
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
NORTH AMERICA							
Canada	1/ Dec. 1	44,077	51,697	50,728	47,310	37,169	35,000
Guatemala		2/ 664	-	-	-	-	-
Mexico	March	3/ 36,368	-	-	-	-	-
Panama		2/ 195	1,372	1,528	-	-	-
United States	Jan. 1	408,177	530,203	474,441	461,550	448,676	481,198
Cuba	July	-	10,500	10,000	9,000	8,500	9,000
Dominican Republic		2,358	1,906	1,900	-	-	-
EUROPE							
Albania		2,060	1,800	-	-	-	-
Austria	1/ Dec. 3	2/ 8,862	5,300	5,400	5,800	5,600	6,100
Belgium	1/ Dec. 31	16,500	11,111	13,333	13,500	16,100	16,300
Bulgaria	1/ Dec. 31	4/ 11,814	-	-	-	-	-
Czechoslovakia 5/	Jan.	2/6/ 31,875	-	10,660	11,982	14,987	-
Denmark	July	2/ 27,643	18,388	19,271	23,445	28,000	-
Finland 7/	Sept. 1	2,853	1,171	-	-	-	-
France 8/	1/ Fall	145,000	-	145,500	-	-	-
Germany (Tri-zone)	1/ Dec.	51,225	-	27,500	25,500	29,000	35,000
Greece 9/	1/ Nov. 30	11,679	8,200	7,500	8,625	9,700	-
Hungary	Feb. 28	4/ 17,880	10/ 16,000	-	-	-	15,000
Ireland	June	15,961	15,263	14,537	17,079	18,524	-
Italy		76,000	-	11/ 50,613	-	-	-
Luxembourg	1/ Dec.	2/ 515	275	350	380	400	400
Netherlands 12/	1/ Dec.	13/ 29,632	3,078	7,315	-	9,843	10,584
Norway	June 20	5,686	2,926	3,768	4,663	5,500	-
Poland and Danzig	July	50,000	20,000	-	39,000	-	-
Portugal	1/ Dec. 31	14/ 5,716	-	-	-	-	-
Rumania		2/ 31,853	15/ 10,939	-	15,000	-	-
Spain	July 1	16/ 28,972	17/ 22,468	-	37,200	33,500	35,000
Sweden	June	10/ 10,980	-	12,395	13,991	15,000	15,100
Switzerland	14/ Apr.	5,544	5,043	5,025	5,900	6,100	-
United Kingdom-Farm	June	73,402	61,723	64,880	79,219	88,706	-
Total	June	-	76,393	81,526	-	-	-
Yugoslavia	1/ Dec. 31	18,021	-	-	-	-	-
ASIA							
Lebanon	1/ Dec.	-	1,400	1,450	-	-	-
Palestine		2/ 1,914	-	-	-	-	-
Syria		1,525	2,029	1,826	2,235	-	-
Turkey		16,794	18,422	18,514	17,303	-	-
China		265,765	184,984	204,115	-	-	-
Japan	July	51,094	19,000	-	-	-	-
India		-	146,081	-	-	-	62,600
Pakistan		-	44,732	-	-	-	-
Philippine Islands		25,365	9,434	-	23,000	25,000	-
SOUTH AMERICA							
Argentina	June	18/ 42,988	-	-	-	-	-
Brazil		19/ 59,000	-	-	60,000	-	-
Chile	June	2/ 1,026	5,000	4,500	3,600	-	-
Paraguay		-	-	2,000	-	-	-
Uruguay		18/ 4,814	5,312	4,912	3,952	3,752	-
AFRICA							
Egypt	July	14/ 26,889	-	-	-	-	-
French Morocco		2/ 50,000	-	-	-	-	-
Union of South Africa	Aug.	18/ 14,000	14,000	16,000	15,834	-	-
OCEANIA							
Australia	1/ Dec. 31	15,541	15,000	-	-	-	-
New Zealand	March	14/ 3,489	-	-	-	-	4,200

1/ End of year estimates (October to December) included under the following year for comparison. Thus for Canada, the December 1, 1945 estimate of 51,697 is shown under 1946. 2/ Average for 2 to 4 years only. 3/ 1940. 4/ 1935. 5/ Postwar numbers possible under reported. 6/ May 1. 7/ Adult poultry. 8/ Represents chickens raised. 9/ All poultry. 10/ September. 11/ Hens and cocks. 12/ Hens and pullets. 13/ June. 14/ 1936. 15/ 58 counties instead of 71 as prewar. 16/ 1939. 17/ April. 18/ 1937. 19/ 1938.

Office of Foreign Agricultural Relations.

Egg production in the United States during 1949 increased 2 percent over 1948, due largely to a record yield of 165 eggs per hen, since the average number of layers was about the same. Favorable price-cost relations during the first of the year encouraged a large hatch, which resulted in a 7 percent increase in chicken numbers on farms as of January 1, 1950 over a year earlier. Egg prices fell sharply in November and December and the Government support price for 1950 was announced at 37 cents (8 cents below 1949). Culling has not been excessive and production in 1950 continues high.

In 1949, Irish egg production was 20 percent above the previous year due largely to greater poultry numbers which are now above prewar. This increase made possible exports twice as large as those of 1948, all of which went to the United Kingdom. Egg prices to Irish producers have tended downward slightly during the year, but are not expected to depress output.

The Netherland's egg production increased about 27 percent during 1949. The Government which hopes to export larger quantities of eggs to the United Kingdom and Western Germany in 1950 has announced that it will allow an increase of one-third in the size of hatch this year over 1949. High cost of imported feed is becoming more important to Dutch poultrymen as prices for eggs declined slightly during the year.

Egg production and chicken numbers in Denmark continue to increase substantially as the Danish export markets remain receptive to high-quality eggs. Exports which are directed mainly to the United Kingdom and Western Germany were twice as large in 1949 as in 1948, but were only about three-fourths of prewar. The large imports of grain necessary to the poultry industry is a major problem and cut-backs in imports may be reflected in the poultry industry this year.

Agricultural authorities in Switzerland were somewhat successful in the first year of their attempt to level out the seasonal production through seasonally regulated prices. The hatching period, which was permitted to run until June 15 last year, will be closed on May 31 in 1950 in an attempt to restrict the number of eggs hatched. The Swiss also are confronted with limited indigenous feed supplies and the necessity of importing feed from hard currency countries. Domestically produced eggs are meeting increasing competition from eggs imported from countries with devalued currencies.

Poultrymen in both Sweden and Finland are now directing more effort towards finding export markets, inasmuch as production is more than ample for their current high domestic consumption. Egg prices during 1949 in these two countries were down from 1948 and are expected to continue this trend, but each has a much improved feed supply which may somewhat offset lower prices.

Greatly increased supplies of eggs were available to consumers in the United Kingdom during 1949 with production and imports respectively 16 and 36 percent above 1948. Even though there has been

a 50 percent reduction in feed subsidies, further improvement in production is expected in 1950 because the British Government still guarantees high egg prices to farmers and increased feed supplies have been made available.

Egg production in Spain is reported above 1948 mainly because the incident of Newcastle disease is thought to be less severe in 1949.

More chickens and ample feed made Belgium a net exporter in 1949 after being a net importer of 122 million eggs in 1948. Belgian exports went to Western Germany, Argentina and Uruguay. Argentina, normally an exporter of eggs and poultry, made only minor shipments of eggs late in the year. Production of eggs and poultry during 1949 was about the same as 1948, but increased domestic consumption utilized most of the output. A light corn crop and high feed prices in the region of Argentina in which poultry is important is expected to curtail any increase in poultry during 1950.

Austria discontinued price control and rationing of eggs early in 1949. The easing of controls somewhat stabilized the market at profitable prices to poultrymen.

Recovery in Greece has been delayed because of disease, feed scarcity and continued guerilla attacks. However, egg prices remain strong and considerable effort is being made to supply the local market.

Poultry numbers in India have dropped drastically since the previous report in 1946. The decrease is explained by Government officials as due to the movement of Moslem poultry keepers from India to Pakistan.

Australian poultrymen, who currently have a contract with the United Kingdom for their exportable surplus of eggs, had considerable difficulties during 1949 because of high-cost feeds, short supply of by-product feeds and restricted transportation during the hatching season because of the extended Australian rail strike. A smaller hatch, decreased production and reduced exports are expected in 1950. Currently poultry meat prices are more favorable than prices paid for eggs.

The New Zealand poultry industry has continued to expand under controlled prices and improved feed supplies.

Record egg production has been reported in the Union of South Africa as prices held firm throughout most of the year. Poultrymen of that country had considerable misfortune in the latter part of the year with an outbreak of Newcastle disease and trouble with poor keeping quality of their exported eggs. Effort is being made to control these handicaps.

Production statistics concerning the Chinese egg and poultry industry are not available, but reports indicate that exports of egg products from Central China increased several fold in the latter part

of 1949 as compared with a year earlier. This trend is expected to continue into 1950 as the cessation of fighting in that area has permitted the establishment of inland transportation and the construction of processing plants.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. For this report, the Committee was composed of Joseph A. Becker, Chairman, Floyd E. Davis, Charles C. Wilson, and Stanley Mehr.

C O M M O D I T Y D E V E L O P M E N T S

TROPICAL PRODUCTS

INDIA'S AND PAKISTAN'S 1949 TEA PRODUCTION AT RECORD HIGH

The 1949 harvest of tea in India and Pakistan reached a record high of 621 million pounds, according to the American Embassy in New Delhi. This compares with a revised estimate of 592 million pounds in 1948, 587 million pounds in 1947, and an annual prewar (1935-39) average of 425 million pounds.

The increase in India's and Pakistan's 1949 production came from increased output in Northeast India, which produced about 475 million pounds in 1949 compared with a revised estimate of 446 million in 1948. South India's tea output amounted to 101 million pounds in 1949, a slight increase over the 1948 harvest of 100 million pounds. Pakistan's 1949 production, estimated at 45 million pounds, is slightly lower than the 46 million pounds produced in 1948.

There was a distinct improvement in the quality of Indian tea harvested in 1949. As a result, India regained its position as the chief supplier of tea to the United States. In 1949, the United States imported 33.2 million pounds of tea from India and 31.7 million from Ceylon, compared with 1948 imports of 28.1 million pounds from India and 45.1 million from Ceylon.

Tea traders in India expect the 1950 tea production to exceed the 1949 output. Production in Northeast India is expected to equal the record 1949 harvest, and production in South India and Pakistan is expected to exceed the 1949 crop.

The outlook for tea exports in 1950 is rather good. The improvement in quality achieved in 1949, increasing tea sales because of higher coffee prices, and the export promotion efforts of the Government of India are encouraging. However, the Indian Export Promotion Committee, appointed in July 1949, warned against competition from Indonesia within the next two years. It advised the Indian Government and the tea industry to face that competition when it comes by reducing production costs as much as possible, eliminating speculation in the export trade, and selling to foreign markets at lower prices. The Committee was opposed to the existing export duty on tea and suggested that it be removed at an opportune time.

TOBACCO

EDUADOR'S TOBACCO PRODUCTION DOWN; LARGE BARTER EXPORT SALES OF LEAF MADE IN 1949

Ecuador's 1948-49 production of leaf tobacco was about 65 percent below the 1947-48 harvest, according to the American Consulate General in Guayaquil. Substantial exports of leaf were made in 1949 for the first time on record. The bulk of these exports are reported to have moved to Spain through barter sales.

The country's production of leaf during 1948-49 totaled approximately 1,200,000 pounds, compared with about 3,500,000 in 1947-48 and an annual average of 3,200,000 during the 5-year period, 1942-43 through 1946-47. The decline in production in 1948-49 is attributed to decreased plantings resulting from fear on the part of growers that leaf prices would be lower. The fear of such lower prices resulted from the discontinuance early in 1949 of the Government Monopoly's control of leaf production and guaranteed prices to growers. Some increase in leaf production is forecast for 1949-50 as manufacturers are now required by law to pay growers the same prices for leaf as those paid by the Monopoly prior to its discontinuance.

Ecuador is practically self-sufficient in tobacco production and normally no leaf or tobacco products are exported. Dark air-cured leaf of rather inferior quality comprises the bulk of tobacco grown in the country. Imports are confined almost entirely to cigarettes from the United States. In 1949 cigarette imports totaled 312,000 pounds.

In 1949 exports of leaf tobacco totaled 4,667,000 pounds, compared with 15,700 pounds in 1948 and little or no exports in previous years. The export sales in 1949 were made from the relatively large stocks held in the country from several prior crops. Spain and the Netherlands took all of Ecuador's 1949 leaf exports. These countries took 4,153,000 pounds and 514,000 pounds respectively. The export sales to Spain are reported to have been made on a barter basis.

FATS AND OILS

U.S. EXPORTS RECORD QUANTITIES OF PEANUTS AND PEANUT OIL

United States exports of peanuts and peanut oil in terms of unshelled peanuts reached a record high of over 380,000 short tons in 1949 compared with approximately 350,000 tons in 1948 and an average of less than 1,000 tons prewar. Exports thus represented the equivalent of over 40 percent of the quantity of peanuts produced in 1949.

Of the total 1949 shipments, 174,648 tons were in terms of shelled peanuts, 4,272 tons of unshelled nuts, and 34,229 tons of oil.

Over 90 percent of the oil exports and over 80 percent of the peanuts were sent to Europe.

UNITED STATES: Peanut oil exports, 1949 with comparisons 1/

(Short tons)

Country of destination	1947	1948 2/	1949 2/
North America			
Canada (Incl. Newfoundland & Labrador)	620	44	575
Cuba	3/	3	1,044
Other	1	2	28
Total	621	49	1,647
South America	90	89	349
Europe			
Belgium-Luxembourg	-	-	14,622
Germany	-	-	553
Italy	-	-	8,910
Netherlands	1	1	485
Switzerland	321	-	6,252
Other	1	-	512
Total	323	1	31,334
Asia	46	216	690
Africa	-	3/	209
Oceania	5	8	-
Grand total	1,085	363	34,229

1/ Crude and refined in terms of crude. 2/ Preliminary. 3/ Less than .5 ton.

Compiled from official sources.

UNITED STATES: Peanut exports, 1949 with comparisons

(Short tons)

Country of destination	Unshelled 1947	Unshelled 1948 1/	Unshelled 1949 1/	Shelled 1947	Shelled 1948 1/	Shelled 1949 1/
North America						
British West Indies..	64	158	118	61	32	28
Canada (Incl. Newfoundland & Labrador)	6,902	4,684	3,854	17,938	30,175	10,546
Cuba................	300	4	-	6	7	129
Netherlands Antilles.	72	58	68	43	43	57
Panama, Rep. of......	6	7	10	25	20	34
Panama Canal Zone....	-	1	1	57	39	42
Other................	42	1	3	14	14	16
Total............	7,386	4,913	4,054	18,144	30,330	10,852
South America.........	303	68	20	18	66	128
Europe						
Austria..............	-	-	-	16	30,863	8,780
Belgium-Luxembourg...	-	-	12	19,101	2	19
Denmark..............	-	-	-	3	-	1,216
Finland..............	-	-	-	6,595	-	-
France...............	-	-	-	22,660	35,432	32,859
Germany..............	-	-	-	133	118,457	65,972
Italy................	-	-	-	1,279	-	31,029
Netherlands..........	78	-	-	24,382	-	1,268
Norway...............	-	-	-	1	-	2,453
Poland...............	-	-	-	8,304	-	-
Switzerland..........	712	289	153	2,529	12	8
United Kingdom.......	2/	-	5	2,146	-	-
Other................	300	27	27	49	4,438	368
Total............	1,090	316	197	87,198	189,204	143,972
Asia						
Japan................	-	-	-	481	515	15,158
Palestine............	-	-	-	-	-	1,117
Other................	-	-	-	202	176	116
Total............	-	-	-	683	691	16,391
Africa................	562	-	1	82	9,037	3,305
Oceania...............	-	-	2/	1	-	2/
Grand total.......	9,341	5,297	4,272	106,126	229,328	174,648

1/ Preliminary. 2/ Less than .5 ton.

Compiled from official sources.

INDONESIAN COPRA EXPORTS
CONTINUE TO DECLINE

Exports of copra from the United States of Indonesia during February 1950 were reported at 16,826 long tons, a reduction of 17 percent from the comparable month of 1949 and 33 percent from the 1949 average monthly shipment of 25,284 tons. Shipments were destined to the same countries as those of the previous month - The Netherlands, Bizonal Germany, and Switzerland.

February deliveries to oil factories amounted to 12,619 tons. Trade representatives are unwilling to forecast the volume of buying in March because of a strike of 2,000 dock workers at Macassar, a seaport city of Celebes Islands. Exports, however, are forecast at 23,600 tons.

Buying prices, guaranteed through March 31, remain at 57 gulden per 100 kilograms ($152 per long ton) to 64 gulden ($171).

INDONESIA: Copra exports, February 1950 with comparisons
(Long tons)

Country	Copra distribution				
	Average 1935-39	1949 1/	Jan.-Feb. 1950 1/	February 1949 1/	February 1950 1/
Canada	-	3,651	-	-	-
Mexico	12,614	-	-	-	-
United States	3,909	13,101	-	-	-
Belgium	8,053	4,000	-	2,000	-
Czechoslovakia	4,896	2,399	-	-	-
Denmark	72,375	5,000	-	-	-
France	12,748	-	-	-	-
Bizonal Germany	64,674	12,842	10,000	-	5,000
Italy	23,103	-	-	-	-
Netherlands	133,841	179,872	30,748	17,835	10,826
Norway	31,810	3,000	-	-	-
Poland	1,422	1,500	-	-	-
Sweden	6,886	10,499	-	-	-
Switzerland	17	1,500	2,000	500	1,000
United Kingdom	412	40,922	-	-	-
Japan	6,180	7,000	-	-	-
Singapore	107,285	15,627	-	-	-
Union of South Africa	-	2,500	-	-	-
Others	17,160	-	-	-	-
Total	507,385	2/303,413	42,748	20,335	16,826

1/ Preliminary. 2/ As of June, total includes shipments to Singapore.

Copra Board, Jakarta.

PHILIPPINE COPRA EXPORTS
LOWEST SINCE JANUARY 1949

Philippine copra exports for February 1950 amounted to 29,536 long tons, the lowest monthly shipment since January 1949 when only 23,466 tons were exported. February exports were 24 percent lower than those of a year ago and showed a 22 percent decrease from the revised figure for January 1950 of 38,010 tons.

PHILIPPINE REPIBLIC: Copra exports, February 1950 with comparisons
(Long tons)

Country 1/	Copra distribution				
	Average 1935-39	1949 2/	Jan.-Feb. 1950 2/	February 1949 2/	February 1950 2/
United States (total)..	206,801	375,071	50,374	13,247	19,814
Atlantic Coast.....	-	39,023	3,621	5,710	-
Gulf Coast.........	-	43,098	11,669	-	4,669
Pacific Coast......	-	292,950	35,084	7,537	15,145
Canada................	-	13,900	2,450	1,000	1,450
Mexico................	7,260	-	-	-	-
Panama Canal Zone......	-	775	-	-	-
Panama, Republic of....	-	209	500	-	-
Colombia..............	-	4,000	1,850	-	-
Venezuela.............	-	1,133	1,000	-	-
Belgium...............	10	7,650	5,779	-	5,279
Denmark...............	6,025	16,085	-	3,000	-
France................	24,589	23,757	-	5,050	-
Bizonal Germany........	7,309	28,510	393	2,914	393
Italy.................	4,079	17,830	1,000	3,994	-
Netherlands...........	28,415	10,850	-	1,050	-
Norway................	91	8,000	2,800	2,400	1,300
Poland................	-	1,500	-	-	-
Sweden................	4,183	7,600	-	-	-
Switzerland...........	-	1,100	-	-	-
Japan.................	1,047	6,075	-	-	-
Israel and Palestine...	-	4,974	1,000	-	1,000
Syria.................	-	1,800	-	-	-
Egypt.................	1,271	-	-	-	-
Union of South Africa..	-	2,198	300	-	300
Others................	8,758	23,596	100	6,000	-
Total.............	299,838	556,613	3/ 67,546	38,655	29,536

1/ Declared destination. 2/ Preliminary. 3/ January figures revised - Pacific Coast 19,939; Atlantic Coast 3,621; United States (total) 30,560; Canada 1,000; January total 38,010.

American Embassy, Manila.

Coconut oil shipments during February totaled 3,531 tons, compared with 2,766 tons in the previous month and 2,598 in February 1949.

Total shipments of copra and coconut oil in terms of copra during February amounted to 35,141 tons.

The copra export price on March 13 was quoted at $192.50 per short ton c.i.f. Pacific Coast compared with $180 in mid-February. Local buying prices at Manila were reported at 35 to 36 pesos per 100 kilograms ($177.80 to $182.90 per long ton) and in producing regions at 32 to 36.50 pesos ($162.57 to $185.43).

In November 1949 the Visayan Islands again were lashed by typhoons. Although no exact evaluation of the damage has been made, the consensus of the Trade is that crop losses were nominal. It is possible, however, that damage was greater than generally supposed as evidenced by the drop of copra exports from 51,000 tons in November 1949 to 29,500 in February 1950.

PHILIPPINE REPUBLIC: Coconut oil exports, February 1950 with comparisons
(Long tons)

Country of destination	Average 1935-39	1949 1/	Jan.-Feb. 1950 1/	February 1949 1/	February 1950 1/
United States	155,358	51,864	5,730	2,107	3,202
Canada	1,885	-	-	-	-
Norway	-	500	-	-	-
Bizonal Germany	660	3,830	-	-	-
Italy	-	4,249	-	491	-
Netherlands	-	1,409	-	-	-
China	392	73	-	-	-
Hong Kong	583	-	-	-	-
Poland	-	260	-	-	-
Siam	54	-	-	-	-
Union of South Africa	-	1,390	329	-	329
Other countries	2,815	572	238	-	-
Total	161,747	64,147	6,297	2,598	3,531

1/ Preliminary.

American Embassy, Manila

UNITED KINGDOM HERRING OIL PRODUCTION UP IN 1949

Herring oil production in the United Kingdom amounted to 2,330 short tons in 1949, more than double the 1,100 tons produced in 1948. Of this quantity 2,180 tons were used for edible and 150 tons for industrial purposes. Production in 1950 is not expected to exceed the 1949 level. The plans of the Herring Industry Board, however, are for expansion in the long run, as indicated by plans to begin soon the construction of the second of 6 plants included in the long term development scheme.

ANTARCTIC WHALE CATCH MAY EXCEED MAXIMUM OF 16,000 BLUE-WHALE UNITS

The total catch of baleen whales in the Antarctic as of March 4, exclusive of the U.S.S.R. catch for the preceding week, was 14,254 blue-whale units. This is according to a report to the Department of Interior's Fish and Wildlife Service from the International Bureau of Whaling Statistics, Sandefjord, Norway. If the rate of catch which had prevailed during the first 10 weeks of the season continued until midnight March 15, when the 1949-50 season officially closed, the total catch would have exceeded the maximum of 16,000 blue-whale units established in accordance with the provisions of the International Whaling Convention. A total catch in excess of the established maximum, however, would not constitute a violation of the Convention so long as such catch was made before the finally established closing date for the season.

LIVESTOCK AND ANIMAL PRODUCTS

ARGENTINE CATTLE SITUATION AFFECTED BY DROUGHT 1/

The Argentine cattle situation has been affected materially by a severe drought which caused excessive marketing of unfinished cattle and large exports of frozen meat. If the drought continues, there will be continued heavy marketings with compensating reductions occurring in the latter part of 1950. However, rains during the first part of March are reported to have aided pasture recovery and normal land preparation is now possible in the drought area.

In 1949, the total slaughter of cattle reported by packers and municipal slaughterhouses was 4.65 million head, about the same as during 1948. Meat output, however, was slightly less because of the heavy slaughter in late 1949 of thin, unfinished cattle. Total utilization of cattle for all purposes, including unreported slaughter, but excluding live exports, is believed to have been approximately the same as in 1948.

Exports of all meat, principally beef to the United Kingdom, have been maintained at a relatively high level and may be expected to reach approximately 400,000 long tons, (896,000,000 pounds) during the first year of the Anglo-Argentine Agreement ending June 30 of this year. Total shipments of refrigerated beef to all destinations during the calendar

---

1/ Based on a report by George J. Dietz, American Embassy, Buenos Aires. A more extensive statement may be obtained from the Office of Foreign Agricultural Relations, U.S. Department of Agriculture, Washington 25, D. C.

year 1949 were placed at 332,387 metric tons (732,780,000 pounds) actual weight. There was an increase during 1949 to the United Kingdom and a slight increase in quantity exported to the European continent. Exportation to neighboring countries in the form of live cattle decreased.

Cattle prices in Argentina dropped sharply in mid-November 1949 because of the heavy drought marketings and have not appreciably recovered to date. To alleviate market congestion the government recently authorized the conversion of any grade cattle into frozen meat for export as an emergency measure to absorb the heavy flow of cattle coming to the market.

The number of cattle in Argentina as of January 1, 1950 was estimated at approximately 42 million head, a slight increase over the 1947 census figure of 41 million head. No further increase is expected in 1950 and a decline is likely if the drought continues.

CURRENT ARGENTINE
HOG SITUATION 1/

Serious drought in Argentina caused hog receipts to increase at terminal outlets in that country during December and January. Sharp curtailment of fall farrowings are anticipated as corn supplies for feeding during 1950 will be limited. Rains in early March may aid alfalfa and natural grass pastures, but little corn can be salvaged.

Total reported slaughter by packers, meat factories and the municipal slaughterhouse in 1949 was 1.4 million head compared with 1.1 million in 1948. Meat output was placed at 134,000 metric tons (295,400,000 pounds) during 1949 while in the previous year it reached only 109,000 tons (240,000,000 pounds). On-farm and interior slaughter is considered about the same as in 1948, but live export of pigs was 25 percent less.

Exports of refrigerated pork sides and cuts in 1949 were slightly higher than during 1948 and reached 15,000 tons (33,600,000 pounds), actual weight. The British, returning to the Argentine pork market, took over 7,500 tons (16,800,000 pounds), but Belgian receipts of frozen pork dropped from 10,500 tons (23,520,000 pounds) in 1948 to only 2,500 tons (5,600,000 pounds) in 1949.

Hog prices increased somewhat during 1949, but were not enough to induce significant expansion of herds. The current corn-hog ratio definitely does not favor hog feeding.

Hog numbers as of January 1, 1950 were estimated at 3.5 million head, an increase of about 18 percent over the census figure of 3.0 million in 1947. No further increase is anticipated in the near future and a decline is very likely if the drought continues.

1/ Based on a report by George J. Dietz, American Embassy, Buenos Aires.

MOHAIR STOCKS
DOWN IN TURKEY

Stocks of mohair in the hands of dealers and traders in Turkey were down to approximately 2 million pounds as of January 1, 1950 as compared to approximately 14 million pounds on January 1, 1949.

Exports for the final quarter of 1949, amounting to nearly 2 million pounds, were substantially above those recorded for the same period in 1948. The deblockage of Turkish lira accounts held by British interests has made possible large shipments to the United Kingdom. Austria, Germany and Italy have also taken nominal amounts.

It is indicated that hoarding of wool and mohair by the peasants is more prevalent; therefore, smaller quantities are available for export this year.

LESS PAKISTAN WOOL
TO U.S. IN 1949

The United States received about 6.6 million pounds of wool from Pakistan in 1949, an apparent reduction of over 50 percent from the 1948 total of 15 million pounds. However, it is reported that the United States purchased more than normal of Pakistan and Indian wool at the Liverpool auction during the year.

Total exports from Pakistan for the period January 1 through December 31, 1949 were slightly over 21 million pounds, as compared to 26 million pounds in 1948. Of this total about 12 million pounds went to United Kingdom, 6.6 million to United States and most of the balance to Continental European countries.

ARGENTINE WOOL EXPORTS
SET RECORD IN JANUARY

Exports of over 52 million pounds of wool from Argentina during January 1950, set a record for monthly wool shipments from that country. Total exports for January 1949 were only 10.6 million pounds.

The United States received nearly 35 million pounds of Argentine wool during the month while France was the second largest buyer with receipts of 7.8 million pounds. The bulk of United States receipts was carpet wool while France was mainly interested in the finer grades. (Movement to United States during February 1950, according to consular invoices, was only 7.5 million pounds, of which about 5.5 million pounds were carpet wool).

SWEDISH WOOL SUBSIDY
LIKELY TO CONTINUE

A continuance of the subsidy of Kr. 0.50 per kilogram (about 4 1/2 U.S. cents per pound) of raw wool, paid to producers in Sweden for the first time during the 1948-49 fiscal year, is being recommended to the Riksdag for extension to cover the fiscal year 1950-51. The only other subsidy in this category is the one paid to growers of fiber flax and hemp.

Although the bulk of wool consumed by the Swedish textile industry is imported, advocates of the continuance of the continuance of the subsidy say it is desirable as a defense measure to stop the declining trend in sheep numbers. The effectiveness of the subsidy has not been demonstrated, however, as sheep numbers declined from 349,446 on June 1, 1948 to 311,397 on June 1, 1949. The State Food Commission reports that the subsidy is too small to inspire any increase in production.

FRUITS, VEGETABLES AND NUTS

ONION PRODUCTION AND MARKETING
SITUATION IN EGYPT

Production of onions in Egypt for 1949 is indicated at 6.2 million bags, a 32 percent increase over the 1948 crop of 4.7 million and 16 percent above the 1935-39 average of 5.4 million.

Egypt produces 4 varieties of onions: Fetile or Baali, Gizawi, Megewar and Menoufi. The first 3 varieties are cultivated in Upper Egypt and the Menoufi variety in Lower Egypt. The Fertile and Megawar varieties constitute the main onion crop but the Fetile is the only one exported on a large scale. The Gizawi and Megawar varieties usually are used for local consumption.

The Fetile variety is planted near the Nile River, where the annual floods improves the soil. When the flooding of the Nile River is over, onions are transplanted in the light rich soil and further irrigation is not necessary. The sowing begins at the end of September and the marketing season commences in early February. This variety is graded as to quality into Special, Commercial and No. 3. The "Special" is generally exported to the United States, the United Kingdom, and Switzerland. The "Commercial" is shipped to other European countries and the No. 3 to neighboring Arab countries.

The Megawar and the other 2 varieties are grown from sets and constitute the "chetwi" or winter crop which is consumed locally. The winter season is between December and February.

The principal importers of onions are European countries and prosperity of the onion trade depends largely upon prompt deliveries to the world onion markets in advance of onion crops produced in other parts of the world.

In 1932 the Egyptian Government established regulations to control the onion trade. A commission was set up consisting of 13 members: 6 representatives of the onion growers, 6 representatives of onion exporters and 1 representative of local onion brokers at Alexandria. Four of the members are nominated by the Government and the remainder elected by the onion producers and exporters. The Commission is charged with:

1. Fixing the number of brokers.

2. Fixing brokers' commissions.

3. Undertaking occasional surveys on various varieties of onions.

4. Enforcement of onion trade regulations.

On February 14, onion merchants and exporters met with a delegate from the Ministry of Commerce and Industries to discuss plans for the new onion season. They were informed that no private pre-season contract will be recognized by the Government unless it is registered at the Bureau of the Gabbary Onion Market and that all onions arriving from the interior will be sold at the Gabbary Onion Market under Governmental supervision. Both Government and trade agreed that all arrivals sold daily by auction should not exceed 15,000 sacks (110 pounds) and that the remainder, if any, should be sold by private treaty. Egyptian railroad authorities agreed to exert every effort to put railroad cars into service in order to insure daily arrivals of 30,000 sacks of onions at the Gabbary Market. Official auctioneers will be limited to 13 and their commission, paid by exporters, will be 1 percent of the total value of each lot sold either by auction or at private treaty. Onion buyers in the interior will receive a 2 percent commission on the total of deliveries from onion growers. The export quota, as announced by a delegate of the Government is fixed, subject to confirmation by the Supreme Council of the Ministry of Supply, at the equivalent of 1,873,910 bags of 100 pounds. It was also announced that an equivalent 330,690 bags will be allotted for dehydration.

Quotations for the week of February 18 for unselected onions were equivalent to $3.10 - $3.15 per bag of 100 pounds but later prices declined to $2.71 - $2.86 per bag. Prices of onions during March may be around $2.42 per bag. Onions of No. 1 and "Special" grades are quoted at $3.81 - $4.08 per sack, f.o.b. Alexandria. The United Kingdom may be a prospective buyer for around 1,000,000 bags at prices varying from $4.91 - $6.30 per 100 pounds, c.& f. United Kingdom. The Bizone of Germany is interested in bartering pharmaceutical products for 300,000 bags. Italy has contracted for around 40,000 bags at $4.48 c. & f. Genoa. Switzerland probably will take about 5,000 bags, paying between $4.19 - $5.12 per bag c. & f. France may take 100,000 bags.

NEW STERILIZATION PLANT
FOR MEXICAN ORANGES 1/

An orange sterilization plant started operations in Nuevo Laredo, Tamaulipas, during the month of January. It was built by Mexican and United States interests at a cost of $30,000 and has a daily capacity for sterilizing 2,000 boxes of 1-2/5 bushels each.

The plant is designed to give oranges the vapor heat treatment prescribed by the United States quarantine against the Mexican fruitfly. This consists of raising the temperature at the center of the fruit to 110 degrees F. and holding it a that level for 6 hours. According to the American Consulate at Nuevo Laredo, the plant contains the following equipment: one boiler; two sterilization rooms; soap tank and machinery for washing, drying, adding color, waxing, polishing, and stamping the oranges; grading table; and mechanical assorters and conveyor lines. It was approved by the Bureau of Entomology and Plant Quarantine of the U.S. Department of Agriculture on January 6, 1950, and the first shipment of sterilized oranges entered the United States through Laredo on January 10.

While some of the shipments during the first two days' operations of the plant were destined to points in Texas, this is not now possible as a result of a quarantine against the citrus blackfly imposed by Texas agricultural authorities on January 12, 1950. The quarantine was first issued as an emergency measure for a period of 30 days but was made permanent on February 13. It does not prevent the shipment of sterilized oranges to points in the United States outside of Texas but requires that the movement of the Mexican citrus fruit through that state be in sealed refrigerator cars.

Several new outbreaks of the blackfly were discovered in Mexico during the month of January. On January 19, the insect was found in Matamoros, Tamaulipas, on the United States border. An inspector of the U.S. Department of Agriculture discovered it on a rough lemon tree in the backyard of a residence near the main plaza of that town. Sixteen leaves of the tree contained larvae stage specks. Officials of the Direccion de Defensa Agricola and of the Bureau of Entomology and Plant Quarantine directed the inspection of the area and the spraying of all plants that might be hosts of the fly in 9 blocks surrounding the infested tree. Spraying will be repeated every 3 weeks until the area has been sprayed 4 times.

On January 22 nine orange trees in Montemorelos, Mexico's leading orange producing district, were found infested. The trees were scattered in 4 points located within an area of 100 feet in an orange grove alongside the highway. Within 24 hours after the insect was discovered, an area of half a mile around the infested points had been sprayed. Five sprayings are planned in this area.

1/ Based on U. S. Foreign Service Report No. 618 from Mexico, D. F., January 1950.

SOUTH AFRICAN FRUIT FOR U.K
UNDER GOLD LOAN AGREEMENT

The Union of South Africa, under terms of the Gold Loan Agreement, will make available for export to the United Kingdom a total equivalent value of $9,285,375 of deciduous fruit. Included in the $9,285,375 to be exported are pineapples valued at $281,375. Other types of fruit besides pineapple to be exported are as follows:

Commodity	Quantity 1,000 Boxes	Weight per box Pounds	Equivalent Prices Dollars
Grapes	3,500	10	1.71
Pears	500	40	2.93
Plums	450	13	1.51
Peaches and nectarines	400	5	1.41
Apricots	100	11	2.08
Apples	100	42	1.83

COTTON AND OTHER FIBER

SHORTAGE OF RAW
COTTON IN CHINA

The cotton industry of China is now facing a serious shortage of raw cotton with little prospect of improvement. Supplies in sight can hardly maintain cotton mill operations at more than 45 percent of last year's level before the new crop becomes available next October.

Cotton mill consumption for the first 4 months (August through November) of the current season has been estimated at 525,000 bales. The probable supply for consumption in the cotton mills on December 1, 1949, has been estimated from best available sources as 610,000 bales. However, this small supply can be made available to the mills only if consumption by textile workers in homes can be reduced to a minimum and the government can collect a high percentage of the current crop for the cotton mills.

The 1949-50 Chinese cotton crop has been estimated at 1,700,000 bales (480 pounds net). This is one of the smallest crops in years and less than half the quantity produced in the 1936-37 and 1937-38 seasons. The government estimates 875,000 bales of this cotton can be collected for the mills. If such collections can be secured, consumption in homes must be reduced to 825,000 bales which is 275,000 to 375,000 bales below the level of other postwar years. In view of the expected increase in cotton used for padding during the current season it is doubtful that consumption can be reduced to this low level.

If the government can collect the 875,000 bales, China would need to import 700,000 bales to maintain operations at present levels. Although the Chinese Communists plan to import 400,000 bales of cotton for the remainder of the current season such large imports seem unlikely at this time. According to the best trade sources, imports of cotton into China during the period August 1 to December 15, 1949, were only 26,700 bales.

The low level of imports is attributed not only to the "blockade" of the Chinese Communist ports by the Chinese Nationalists but also to the lack of foreign exchange, the unsatisfactory terms of the official contract offered exporters of other countries, and the lack of satisfactory profit in the textile industry. The latter factor discourages mill operations and thus reduces the demand for imported cotton.

Imports from the United States for the period August 1 to December 15, 1949, were reported at 15,200 bales. According to the United States export statistics, 18,100 bales were exported to China in December of 1949 and January 1950. The United States also exported 28,600 to Hong Kong in these two months, most of which will probably reach China indirectly. This would indicate that China has not received more than 60,000 bales of United States cotton so far during the current season. There have been reports of further Chinese purchases in the United States the latter part of January, but exports from this country to China are not expected to exceed 150,000 bales during the current season even under improved conditions.

China also reported an import of 11,500 bales of Indian cotton in the first 5 months of the current season. This is believed to have been old-crop cotton and very little more will be available for export to China.

Present indications are that no satisfactory solution will be found for the import problem in the near future. Supplies of cotton available from all non-dollar sources are scarce and prices are high. India earmarked only 160,000 bales for export and restricted exports to types of cotton normally not imported into China. China's use of Egyptian qualities is small and very little cotton is available in other non-dollar areas.

While measures have been adopted by the Chinese Communists to increase cotton production and help manufacturers with allocations of cotton, extension of loans, exemption of cotton from import duties and a reduction of freight rates, no great increase is expected in the supply of native cotton in the near future. Due to the greater importance attached to food than clothing, prices now being paid to the cotton farmers are generally lower than for grains. Little improvement is expected in the future in this respect as grain prices are still advancing more rapidly than the price of cotton in most parts of the country. While communications are being restored, transportation facilities will continue for some time to be inadequate for the distribution of food and the collection and transport of cotton.

The acreage in cotton declined from 9,300,000 acres in 1937-38 to 5,300,000 acres in 1949-50. The drastic decrease in plantings from prewar levels is attributed to the isolation of important producing areas by the protracted war and disruption of communications, with the result that it has been impossible to assure a supply of food to all areas and the relationship of cotton and grain prices has been increasingly in favor of grains. This has caused farmers to show less and less interest in cotton and it will be difficult for the government to reverse these trends until the food situation can be improved.

Long-range plans of the Chinese Communists contemplate the attainment of self-sufficiency in raw cotton production with possibly a surplus for export in the form of textiles, but it is evident that progress in this direction cannot begin until some of the difficulties in the immediate situation are overcome.

BELGIAN COTTON MILL CONSUMPTION AT HIGH LEVEL 1/

The Belgian cotton industry has experienced a marked increase of activity in the past few months and prospects are favorable for continued high level of production for the remainder of the season. Cotton mill consumption during the first 6 months of the current season was reported at 215,000 bales (480 pounds net). This is 17 percent above the same period last season and equal to the 1947-48 level when 421,000 bales were consumed by the Belgian cotton mills.

Exports of cotton yarn and piece goods are also running above 1948 and prewar levels. During the first 6 months of the current season (August through January), over 50 percent of the cotton yarn produced was exported in the form of cotton yarn, piece goods or cotton products. Exports of cotton yarn averaged about 4.4 million pounds per month, or about double the 1938 level of exports. Cotton piece goods exports have been averaging about 3.3 million pounds per month about 12 percent above prewar, and rugs, blankets, lace, and other cotton products averaged 1.4 million pounds per month, or about 230 bales per month under the 1938 level.

Exports of cotton textiles tended to decline after the wave of devaluations in September. Belgium devalued its currency by only 12 percent, that is to a lesser degree than the Netherlands, the Scandinavian countries, and several other countries that take a large share of Belgium's textile exports. The United Kingdom, one of Belgium's chief competitors in these markets, also devalued its currency by 30.5 percent. However, this set-back in exports appears to have been temporary and in December and January they returned to the predevaluation levels. The outlook is favorable for a continuation of these high levels of exports during 1950.

1/ Based on reports of Jerome T. Gaspard, Agricultural Attache, American Embassy, Brussels.

Belgian imports during the first 6 months of the current season have been reported at 214,000 bales, of which slightly more than 50 percent came from the United States. This is a slight increase over the 1948-49 season when Belgium secured only 45 percent of their imports from the United States. However, with the tight supply of medium-staple cottons in other countries, Belgium has relied on the United States, and the Belgian Congo for most of their supplies of these staples so far during the current season.

SWEDEN'S IMPORTS OF UNITED STATES COTTON INCREASING

Swedish imports of United States cotton may reach 65,000 bales (480 pounds net weight) during the calendar year 1950, according to Eric Englund, Agricultural Attache, American Embassy, Stockholm. This shift to United States cotton represents a significant improvement in the Swedish market outlet for United States producers over the "token imports" of 900 bales in the year 1948.

The change represents chiefly a shift from Brazilian cotton. The higher price of Brazilian coffee is regarded as a factor in this shift. Buying less Brazilian cotton eases the necessity of reducing even further the importation of coffee, now the only table commodity rationed in Sweden.

Imports of cotton from all sources is expected to be 135,000 bales in the 1949-50 season. In the 1948-49 season Sweden imported 107,000 bales of cotton.

Cotton yarn production in the first 6 months of the current season is running about 8 percent above the same period of last season. Cotton consumption during the 1949-50 season has been estimated at 130,000 bales as compared to the 118,000 bales consumed in the 1948-49 season.

JUTE NEWS FROM THE INDIAN UNION AND PAKISTAN--JANUARY 1950

The estimates for 1949-50 jute production of 1,000 to 1,200 million pounds (2-1/2 to 3 million bales) for India and 2,000 million pounds (5 million bales) for Pakistan still prevail in trade circles in India, according to William T. Carpenter, Jr., American Vice Consul at Calcutta. For 1950-51 the Government of India plans self-sufficiency in jute, or a target of about 5 million bales, but Pakistan officials are reported to have announced that the acreage in East Bengal will be one-third less than the 1.5 million acres cultivated in 1949-50.

Indian expansion of jute acreages is being encouraged not only in the states of West Bengal, Bihar, Orissa, and Assam, where cultivation has already been extensive, but also in new jute areas in Tripura, Cooch Behar, Uttar Pradesh (United Provinces), and Travancore. Planned acreages include an increase in West Bengal from 315,000 acres in 1948-49 to 457,000 acres in 1950-51; in Assam from 218,000 to 358,000 acres in the same two years; in Orissa from 22,500 to 101,000 acres; and in Travancore from experimental plantings to an area of 20,000 acres.

Decline of production in Pakistan has apparently begun, as indicated by the following official figures for the past several years: 6,843,000 bales in 1947-48: 5,479,095 bales in 1948-49; and 3,332,455 bales in 1949-50. While it is generally believed in trade circles that official estimates are actually too low, they are thought to show the trend in production.

Exports of raw jute from Pakistan were 5,679,000 bales or slightly more than the production estimate. The slight discrepancy between production and export figures for the period presumably represents a decline in stocks on hand, or else a small underestimate of production. Jute consumption in East Bengal is very small.

The Director of Commercial Intelligence and Statistics for East Bengal reports that 4,831,054 bales of raw jute were exported from East Pakistan during the calendar year 1949. Of this quantity 1,674,494 bales were sent to countries other than India through Chittagong and Calcutta, and 3,156,560 bales were exported to India by sea and land. Figures from other sources are considerably lower than these, but the official export figures of East Pakistan appear to be reasonable.

Exports for November and December averaged only 156,318 bales per month compared with a monthly average of 451,842 bales for the first 10 months. The decrease for the last two months of the year is the result of the stalemate in jute trade between India and Pakistan which resulted in no legal exports of jute to India during that time.

Output of jute products in India during the calendar year 1949 was estimated at 923,000 long tons (of 2,240 pounds each), compared with 1,091,000 tons in 1948.

During January, production of jute products fell below the December level and was only 2.8 percent greater than that of November. Hessian production reached only 26,600 long tons in January, compared with 28,300 long tons in December and 38,200 long tons in January 1949. Sackings output reached only 41,500 long tons in January 1950, compared with 50,100 in December and 46,900 a year ago.

Shipments of hessians to the United States were reported at 14,900 long tons in January and 49,700 long tons in the last quarter of 1949.

Total stocks of jute manufactures in India on January 31, 1950, were 55,500 long tons, or 33.4 percent greater than the record low of 41,900 tons on November 30, 1949, but 52.2 percent less than at the end of January a year ago.

Hessian stocks in India of 20,000 long tons at the end of January 1950 made up 36 percent of total stocks of jute manufactures and were 9 percent greater than at the end of the preceding month.

Sacking stocks at the end of January were reported at 33,000 long tons or 59.4 percent of total stocks of jute manufactures. They were 16 percent greater than sacking stocks at the end of the preceding month.

COTTON-PRICE QUOTATIONS
ON WORLD MARKETS

The following table shows certain cotton-price quotations on foreign markets converted at current rates of exchange.

COTTON: Spot prices in certain foreign markets, and the U.S. gulf-port average

Market location, kind, and quality	Date 1950	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound
Alexandria		Kantar			
Ashmouni, Good	3-16	99.05 lbs.	Tallari	68.85	39.91
Ashmouni, F.G.F.	"	"	"	65.35	37.88
Karnak, Good	"	"	"	72.23	41.87
Karnak, F.G.F.	"	"	"	66.23	38.39
Bombay		Candy			
Jarila, Fine	"	784 lbs.	Rupee	1/ 620.00	16.50
Broach Vijay, Fine	"	"	"	1/ 690.00	18.37
Karachi		Maund			
4F Punjab, S.G., Fine	3-15	82.28 lbs.	"	71.50	26.22
289F Sind, S. G., Fine	"	"	"	73.50	26.95
289F Punjab, S. G., Fine	"	"	"	76.00	27.87
Buenos Aires		Metric ton			
Type B	3-16	2204.6 lbs.	Peso	1/ 4000.00	37.55
Lima		Sp. quintal			
Tanguis, Type 5	3-15	101.4 lbs.	Sol	(not	quoted)
Pima, Type 1	"	"	"	(not	quoted)
Recife		Arroba			
Mata, Type 4	3-16	33.07 lbs.	Cruzeiro	180.00	29.61
Sertao, Type 5	"	"	"	(not	available)
Sertao, Type 4	"		"	225.00	37.02
Sao Paulo					
Sao Paulo, Type	"	"	"	179.00	29.45
Torreon		Sp. quintal			
Middling, 15/16"	"	101.4 lbs.	Peso	241.00	27.50
Houston-Galveston-New Orleans av. Mid. 15/16"	"	Pound	Cent	XXXXX	31.67

Quotations of foreign markets reported by cable from U. S. Foreign Service posts abroad. U. S. quotations from designated spot markets.

1/ Nominal - ceiling prices.

GRAINS, GRAIN PRODUCTS AND FEEDS

BURMA'S RICE EXPORTS DECLINE 1/

Burma's rice and rice bran exports during 1949 totaled 2,720 million pounds, including 2,632 million in terms of milled and 88 million pounds of bran, according to a report from D. Klein, American Embassy at Rangoon. The small mills special, a short grain with 38 to 42 percent brokens, white brokens, and Sughandi, a long-grain rice, comprised the bulk of exports.

Shipments during the year were heaviest during the dry months from January to May, the period between the end of the harvest and the onset of the monsoon. This seasonal trend in Burma's export trade is a normal occurrence, necessitated by inadequate storage facilities and the fact that rice deteriorates when transported during the rainy season.

BURMA: Rice (milled) exports by country of destination, average 1936-40, annual 1946-49

Country of destination	Average 1936-1940	1946	1947	1948 1/	1949 1/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
ASIA					
India	3,532	534	767	1,110	837
Ceylon	807	97	246	684	594
Malaya	508	267	298	443	326
Indonesia	156	32	106	132	297
Borneo	2/	2	10	23	2/
Hong Kong	2/	28	207	82	38
China	117	0	126	136	89
Korea	(	0	0	0	2/
Japan	3/ (233	0	0	2/	122
Pakistan	4/	4/	2/	2/	125
United Kingdom	128	0	6	76	63
Other Europe	497	0	0	5	2/
Mauritius	61	0	0	25	2/
Other countries	465	0	13	9	141
Total	6,504	960	1,779	2,725	2,632

1/ Preliminary. 2/ Not separately reported. 3/ To Japan, Korea and Taiwan. 4/ Included in imports into India.

Compiled from Embassy reports.

Export prices, except for shipments to Japan, remained fixed through out the year. The Small Mills Special was sold at £38 per long ton f.o.b. Rangoon, Bassein, Moulemein and Akyab ($6.84-4.75 per 100 pounds). Under the trade agreement with Japan, rice was exported at £41 5s per metric ton ($5.15 per 100 pounds).

1/ A more extensive statement may be obtained from the Office of Foreign Agricultural Relations, U.S. Department of Agriculture, Washington 25, D. C.

EGYPT REDUCES
RICE PRICES

A new Egyptian export price schedule for rice was announced on February 20. Prices for rice exchanged for certain specified commodities of barter remain the same as those published in November 1949, but those for rice exported for United States and Canadian dollars and Swiss and Belgian francs were decreased. The announcement follows:

"The Cereals Committee in its meeting on February 15, 1950, decided that the price of rice to be exported on the barter system for wheat, corn, sugar or iron bars should be as follows per metric ton gross (per Egyptian pound of $2.87), f.o.b. Alexandria, including export and municipal taxes:

Grade	Egyptian pounds per metric ton	U. S. Dollars per 100 pounds
Cargo	45.5	5.92
Mansouh	47.8	6.22
Natural	50.15	6.53
Natural (extra) ...	50.7	6.60
Polished	51.15	6.66

These prices also apply to exports against offset dollars.

"In anticipation of obtaining free United States and Canadian dollars or Swiss and Belgian francs, the Committee decided to further reduce the prices for export against these currencies only, as follows:

Grade	Egyptian pounds per metric ton	U. S. Dollars per 100 pounds
Cargo	38.8	5.05
Mansouh	41.1	5.35
Natural	43.45	5.66
Natural (extra) ...	44.0	5.73
Polished	44.45	5.79

These prices apply to any quantity of rice that is exported, regardless of amount. Previous notice on export prices is hereby cancelled."